

**TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE**



FISCAL NOTE

HB 2064 - SB 2247

January 27, 2014

SUMMARY OF BILL: Authorizes the City of Spring Hill to levy a hotel occupancy tax, not to exceed five percent, subject to the adoption of an ordinance by a two-thirds vote of the municipal legislative body.

ESTIMATED FISCAL IMPACT:

Increase Local Revenue – \$66,200/Permissive

Assumptions:

- According to the Department of Tourist Development's Web site and the City of Spring Hill's City Administrator, the Best Western Spring Hill Inn & Suites, which has 52 rooms, is the only hotel or motel within the Spring Hill city limits.
- According to the Nashville Convention and Visitors Bureau, the 2012 hotel occupancy rate in Davidson County was 67.0 percent. According to PricewaterhouseCoopers LLP, the national hotel occupancy rate for 2012 was 61.3 percent and was estimated to have been 62.2 percent in 2013. Estimate assumes the occupancy rate in Spring Hill is 64.0 percent.
- There will be approximately 12,147 nightly rentals (52 rooms x 365 days x 64.0% occupancy) each year in Spring Hill.
- The average room rate in Best Western Spring Hill Inn & Suites is estimated to be \$109.
- It is assumed that the City of Spring Hill will impose a five percent hotel occupancy tax upon passage of this bill.
- The permissive recurring increase in local government revenue is estimated to be \$66,201 (12,147 x \$109 x 5.0%).

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, appearing to read "Lucian D. Geise".

Lucian D. Geise, Executive Director

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